

**Minutes
Council/RDA Meeting
City Council/Redevelopment Agency
City of Huntington Beach**

Monday, May 7, 2007
4:00 P.M. - Room B-8
6:00 P.M. - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**An audiotape of the 4:00 p.m. portion of this meeting
and a videotape of the 6:00 p.m. portion of this meeting
are on file in the Office of the City Clerk.**

Call To Order

Mayor Coerper called the regular meeting of the City Council/Redevelopment Agency of the City of Huntington Beach to order at 4:07 p.m. in Room B-8.

City Council/Redevelopment Agency Meeting Roll Call

Present: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy.
Absent: None.

The City Clerk Announced No Late Communications Pertaining to the 4:00 p.m. Portion of the Meeting

Pursuant to the Brown (Open Meetings) Act, City Clerk Joan Flynn announced no Late Communications were received by her office pertaining to items on the Study Session and Closed Session portion of the agenda.

Public Comments Regarding the 4:00 p.m. Portion of the Council Meeting – None.

(City Council/Redevelopment Agency) Study Session #1 Held - Lindsey Parton, Director of DJM Capital Partners, Inc. Provided an Overview of the Proposed Mixed Use Development of Bella Terra Phase II.

City Administrator Dr. Penelope Culbreth-Graft introduced Lindsay Parton with DJM Capital Partners, Inc. to present information on The Town Center at Bella Terra. Mr. Parton introduced Marios Savopoulos, AIA with Perkowitz & Ruth Architects. Mr. Savopoulos gave a PowerPoint presentation that highlighted project points including: big box scheme, neighborhood retail scheme, vision, design criteria, history, culture and traditions, local culture and history and concept plans. The presentation also provided a program summary that outlined block structure, open space, public parking and access, public pedestrian linkage, residential parking and access, residential lobby circulation, Village Green theme, Piazza design, community park design and private residential courts. The presentation concluded by addressing the types of use considered for the project including boutique shops, signature retail, stand-alone flagship

retail, urban market and vertical mixed-use housing.

Mr. Parton discussed economic viability and showed a slide indicating annual tax revenue comparison and 25-year tax revenue comparison.

D. John Miller with DJM Capital Partners concluded with comments regarding incorporation of One Pacific Plaza and Bella Terra to create a destination with a sense of place and quality.

Councilmember Hardy asked about the project's potential for variances, exceptions and zone changes. Mr. Parton responded that the area Specific Plan will need to be amended, but foresees no significant variances.

Councilmember Hansen asked if DJM is experienced with residential development. Mr. Parton explained that DJM would bring in partners with residential development experience. Discussion ensued about plans to attract large retailers.

Councilmember Green asked if solar power features would be included. Mr. Parton responded as much as possible.

Councilmember Carchio asked about sales tax generation from Bella Terra Phase I. Economic Development Director Stanley Smalewitz explained that a full tax year has not yet been realized, and stated that he would provide the information at a later date.

Discussion ensued about parking structure ownership, Agency debt repayment, sales tax revenue and the project approval process.

Mayor Coerper asked staff to provide follow-up to questions posed by Council during the study session. Administrator Culbreth-Graft responded with direction to staff. Director Smalewitz stated that the project would be considered by the Planning Commission.

Councilmember Bohr asked staff and the developer to review pros and cons of shared parking for mixed-use. He also requested exploration on residential units, including rental versus for-sale and affordable versus market, and discussed his interest in big box retail and quality development.

Mayor Coerper discussed quality associated with building mixed-use projects.

(City Council/Redevelopment Agency) Study Session #2 Held - A Presentation was Provided by the Finance Department on the FY 2006/07 Mid Year Budget Review and the Comprehensive Annual Financial Report (CAFR).

City Administrator Dr. Culbreth-Graft called on Finance Director Dan Villella to provide a staff report. Director Villella gave a PowerPoint presentation titled *City of Huntington Beach Finance Department Report, FY 2006/07 Mid Year Budget* that outlined: change in net assets, historical perspective, distribution of undesignated unreserved fund balance, 2nd tier reserve amount available, General Fund expenditure projection, General Fund revenue projection and update 2nd tier reserve appropriations.

Administrator Culbreth-Graft commented on discussions with staff about use of dollars,

and explained how the Public Works Commission allocates revenue. She also discussed goals related to distribution of undesignated, unreserved funds to infrastructure, capital improvements and 2nd tier reserves.

Councilmember Hansen requested that another study session be scheduled, and discussed the level of restraint needed for reserves. City Administrator Culbreth-Graft explained the goal of the reserve program.

Councilmember Green cautioned Council about exhausting public reserves for non-emergency needs.

Councilmember Hardy voiced support for holding an additional study session, stating this would allow Council time to prepare a wish list for staff prior to budget approval and identify costs, consider uses of reserves and become informed of potential emergencies, state bonds, etc.

Mayor Coerper gave direction for staff to schedule another study session within the near future and Councilmember Green suggested the meeting be held in a less formal setting.

Motion to Recess to Closed Session

A motion was made by Green, second Hardy, to recess to Closed Session on the following items. The motion carried by the consensus of all present, none absent.

(City Council) Closed Session – Pursuant to Government Code Section §54957.6, the City Council shall recess to Closed Session to meet with its designated labor negotiators: Penelope Culbreth-Graft, City Administrator; Bob Hall, Deputy City Administrator; Dan Villella, Finance Director; and Renee Mayne, Chief Negotiator, regarding labor negotiations with the following employee organizations: **MEO, MEA, HBFA, SCLEA, and Non-Associated.**

(City Council) Closed Session – Pursuant to Government Code Section §54956.9, the City Council shall recess into Closed Session to confer with the City Attorney regarding the lawsuit entitled *Praise Christian Center v. City of Huntington Beach, et al.*; United States District Court Case No. SACV03-1504 GPS (MLGx); Ninth Circuit Court of Appeal Case No. 06-55462. This appeal concerns a CUP the City issued that authorized Plaintiffs to use a warehouse at 18851 Goldenwest Street as a church.

Reconvened City Council/Redevelopment Agency Meeting at 6:07 p.m.

No Actions Taken During Closed Session Which Required A Reporting Pursuant to Government Code Section 54957.1(a) (3) (B).

City Council/Redevelopment Agency Meeting Roll Call

Present: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy.
Absent: None.

Pledge of Allegiance/Flag Salute - A special flag presentation was made by Girl Scout Troop 880.

Invocation - Led by Mayor Coerper

The City Clerk Announced Late Communications

Pursuant to the Brown (Open Meetings) Act, City Clerk Joan Flynn announced Late Communications regarding agenda items that had been received by her office following distribution of the agenda packet:

Communication submitted by Joyce Riddell, President of the Huntington Beach Chamber of Commerce, dated May 4, 2007 regarding the public hearing on Affordable Housing In-Lieu Fees.

Communication submitted by Steve Stafford dated May 7, 2007 regarding the public hearing on Affordable Housing In-Lieu Fees.

Communication submitted by Ray Heimstra, Associate Director-Programs of the Orange County Coastkeeper dated May 3, 2007 and titled *Resolution No. 2007-31 Wintersburg Channel Diversion Project*.

Communication submitted by Councilmember Jill Hardy, Chair on behalf of Intergovernmental Relations Committee Members Councilmember Keith Bohr and Councilmember Don Hansen dated May 4, 2007 and titled *Late Communication on Item F-1 - AB 1459 (Levine) California Coastal Act prohibiting the sale of a unit in an overnight visitor serving commercial facility from being sold for individual ownership*.

The Following Communications Were Submitted During the Meeting:

Communication submitted by Shirley Conger undated and titled *Health Care Statistics for Canada and Other Countries*.

Communication submitted by David Mercer dated March 14, 2007 and titled *Finding a Parking Space for Mobile Homes*.

Communication submitted by Sarah E. Hernandez dated and titled *More Than Air*.

Undated communications submitted by Joe Tindall including a compact disc titled *One Care*, and correspondence regarding Health Care Reform in 2007.

Presentation - Human Relations Task Force

Mayor Coerper called on Alan Chancellor from the Human Relations Task Force. Mr. Chancellor recognized the month of May as *Older Americans Month*. He introduced Juanita Woodburn, 102 years young and affiliated with Landmark Toymakers. Mayor Coerper congratulated Ms. Woodburn and her efforts in toy making. Ms. Woodburn discussed the evolution of Landmark Toymakers and described the toy making process. She also highlighted the talents of her colleagues, and described Landmark's practice of providing toys to needy children. Others present included Gene

McGlevan, Bruce Iva, Ed Neilson, Wes Masterson, Bev Masterson and Marleen Edsel.

Mr. Chancellor also recognized the month of April as *Asian Pacific American Heritage Month*. He called on Jan and Victor Tang and described their volunteer efforts in community groups during the past 30 years. Jan Tang is a retired Nurse and breast cancer advocate, and Victor Tang a retired Engineer and cancer survivor. Mayor Coerper presented the Tangs with a proclamation.

Presentation - Huntington Beach Art Center

Mayor Coerper called on Cultural Services Supervisor Kate Hoffman, Huntington Beach Art Center to present a commendation to Art Cervantes from Oggi's Pizza and Brewing Company for his generous fundraising efforts for the Summer Art Camp program. Supervisor Hoffman discussed the level of support and participation provided by Oggi's for the City. Mr. Cervantes offered to create an event at Oggi's that would help raise \$3000 to purchase art supplies for children. Mr. Cervantes presented Kate Hoffman with a cash donation.

Presentation - National Police Week

Mayor Coerper called on Police Chief Small to present a proclamation for National Police Week to Kreg Muller, President of the Huntington Beach Police Officers' Association. Chief Small explained that the month of May honors fallen officers. Mayor Coerper thanked the Police Department, the Police Chief for his leadership, and President Muller for his support.

Presentation - Lillian Widdowson

The Mayor Coerper called on Lillian Widdowson, presenting her with a bouquet of flowers in honor of her reaching 100 years of age. He provided a short capsule of Lillian's life, including her community involvement. Ms. Widdowson presented a gift to Mayor Coerper.

Presentation - Community Services Programs

Mayor Coerper called on Recreation Program Supervisor Dottie Hughes to accept a check in the amount of \$3000 from the Huntington Beach Kiwanis for Community Services programs Friday Night Funtime Dances and the Fishing Derby. Kiwanis members present included Jennifer McGrath, Nouha Hreish and Dennis Gallagher. Supervisor Hughes provided a brief description of the events, and members Hreish and Gallagher thanked the community.

Public Comments

(The numbers following speakers' comments reflect the approximate point of time in the archived video the speaker appears, available at <http://www.surfcity-hb.org/Government/Agenda/>)

Sarah Hernandez recited a self-written speech recognized at the Youth in Government

Day event that focused on serving others, humanitarianism, heroes, the future and making the right choices.

Joe Tyndall spoke to the Council regarding SB 840 - California Universal Health Care Act. He requested their support of the bill and discussed the high rising costs for health care and insurance. He also presented an informational packet for Council and staff.

David Mercier spoke regarding the number of individuals that use motor homes as their permanent residence and have difficulty finding a place to park them. Mayor Coerper suggested Mr. Mercier fill out a blue card for Council follow-up.

Dolores Juarez, Health Care For All, requested Council support of SB 840, discussing lack of health care options. She described the benefits to the employee, employer and emphasized free enterprise.

Cliff Johnson, Let's Go Fishing on the Huntington Beach Pier, spoke regarding permanent concessions on the pier that will continue to serve the public. He discussed the Huck Finn Fishing Derby, his enthusiasm for a full service bait and tackle shop, revenue generation, and his appreciation for the Council's approval of building recommendations made by the Community Services Department.

Laura Sweet, Health Care for All, voiced support of SB 840 and discussed insurance claims and caps, and how catastrophic illness and high medical bills can cause bankruptcy. She described the benefits of the bill and requested Council support.

Louise Stewardson spoke regarding SB 840, claiming 7 million Californians don't have medical coverage. She discussed closing of emergency rooms and the benefits associated with the Bill including doctor availability, out-of-pocket savings and preventative care.

Shirley Conger, Corona Del Mar resident, shared a chart from the New England Journal of Medicine, comparing health care costs as a percentage of gross domestic product and life expectancy. She discussed comparative health statistics for Canada and other countries, and universal care versus private arrangements.

Vern Nelson spoke regarding the healthcare benefits of SB 840. He also discussed what he termed propaganda campaigns made by insurance and pharmaceuticals industries, private versus universal healthcare, and requested that the Council support the Bill.

Tina Viray, Surf City Store, spoke regarding permanent structures on the pier. She described Surf City Store's success, and informed the Council that their contract expires in 2018. She also spoke of positive image, product and employee selection, financial performance, and accommodations received by the community. She urged the Council to keep them in mind prior to action on making beach concessions permanent structures.

Dave Shenkman, The Kite Connection, spoke in support of beach concessions becoming permanent structures on the pier. He commented on the visitor-serving

aspect of his business, described his relationship with the Surf City Store and City departments including Community Services and Marine Safety, and how he assists the Conference and Visitors Bureau in answering questions from tourists.

Councilmember Bohr asked if Ms. Viray and Mr. Shenkman would be willing to share one unit during construction. Both speakers replied in the affirmative.

Matt Rossi, Huntington Beach business owner, introduced himself and informed the Council of a software application he created called *Uniting the Web* that helps find missing children. He referred to the application as an "on-line milk carton" and volunteered his services to the City and Police Department to maximize the effectiveness of the service. He provided a website address of unitingtheweb.com.

James Kerr, Contractor and 30-year resident, requested that Council oppose SB 645. He stated his opinion that the design bill would eliminate 85% of the County's available workforce and pass higher bid costs onto the citizens of Huntington Beach.

Jackie Nutting, Associated Builders and Contractors of Southern California, spoke in opposition to SB 645. She discussed negotiations involving the International Brotherhood of Electrical Workers (IBEW), merit shop contractors, skilled workforce mandates, California state-approved apprenticeship training programs and labor compliance program mandates. She strongly urged the Council not to support the bill.

City Administrator's Report

City Administrator Penny Culbreth-Graft announced that the City will be holding an Edinger/Beach Corridor Specific Plan Workshop on Thursday, May 10 at 6:30 p.m. in the Council Chambers. The meeting will be televised and rebroadcast on various dates, and a video stream archive produced by the City Clerk will be available for viewing on the City's website.

Police Chief Small announced that on April 21 and 22 the Huntington Beach Police Department participated in the *Baker to Vegas Challenge Cup Relay Race*, a 120-mile run involving 230 law enforcement teams from the U.S. and Canada. He stated that the HB team took first place in their division, and gave credit to Team Captain and Sergeant At Arms Eric Gossberg.

Council AB 1234 Disclosure Reporting

Councilmember Bohr reported on attending the California Peace Officers' Memorial Ceremony in Sacramento on May 3, and the Library Volunteer Appreciation Luncheon on May 7, 2007.

Councilmember Carchio reported on attending Youth in Government Day on April 19, the Friends of Shipley Nature Center Spring Festival on April 28, the AVP Huntington Beach Open on May 5, the Library Volunteer Appreciation Luncheon on May 7, and the California Peace Officers' Memorial Ceremony in Sacramento on May 3, 2007.

Councilmember Green reported on attending the Employee Service Awards Luncheon on April 18, the Council on Aging Senior Services Volunteer Appreciation Luncheon on April 20, and the Library Volunteer Appreciation Luncheon on May 7, 2007

Councilmember Hardy reported on attending the Employee Service Awards Luncheon on April 18, Youth in Government Day on April 19, Disneyland Scholarship Program to Honor Recipient Ann Quann on April 25, and a trip to Sacramento to OPPOSE AB 1459 (ban all timeshares in California).

Mayor Coerper reported on attending the Southern California Association of Governments Housing Steering Committee Meeting on April 23, the Regional Housing Needs Assessment (RHNA) in Riverside on April 25, 26, 27 and 30, and the Peace Officers' Memorial Ceremony in Sacramento on May 3, 2007.

City Attorney Jennifer McGrath reported on attending the League of Cities Annual City Attorney Conference held in Monterey on May 2-4, 2007.

City Treasurer Shari Freidenrich reported on attending City Municipal Treasurer's Conference in Long Beach, and the AVP Huntington Beach Open on May 6, 2007.

City Administrator Penny Culbreth-Graft reported on attending the Library Volunteer Appreciation Luncheon on May 7, and Employee Service Awards Luncheon on April 20, 2007.

(City Council) Reviewed and Accepted Shari L. Freidenrich, City Treasurer's March 2007 Investment Summary Report Titled City of Huntington Beach Summary of City Investment Portfolio, Bond Proceeds, and Deferred Compensation Activity for March 2007

City Treasurer Friedenrich gave a PowerPoint presentation entitled *March Treasurer's Report*, which was included in the agenda packet.

The City Council considered a communication from City Treasurer Shari L. Freidenrich transmitting the Monthly Investment Report and Summary of Investments for March 2007.

A motion was made by Green, second Hansen to Review and accept the Monthly Investment Report entitled Summary of Investment Portfolio, Bond Proceeds, and Deferred Compensation Activity for March 2007, pursuant to Section 17.0 of the Investment Policy of the City of Huntington Beach. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

City Attorney's Report of Litigation Filed – None.

(City Council) Public Hearing Held and Adopted Resolution No. 2007-29 Establishing an Affordable Housing In-Lieu Fee for New Residential Projects With

Three to Nine Units to Provide an Alternative Means for Developers of Small Projects to Satisfy the City's Inclusionary Housing Requirements.

Mayor Coerper announced that this was the time noticed for a public hearing to consider communication from the Director of Planning transmitting the following **Statement of Issue**: Transmitted for City Council consideration is a resolution that establishes an affordable housing in-lieu fee for new residential projects with three to nine units. Payment of the fee is allowed by the City's affordable housing ordinance. Staff recommends the City Council approve the resolution because adoption of the in-lieu fee will provide an alternative means for developers of small projects to satisfy the City's inclusionary housing requirements. In addition, there are three suggested improvements by Keyser Marston Associates to the existing affordable housing ordinance that staff recommends the City Council initiate.

Applicant: City of Huntington Beach

Location: Citywide

Project Planner: Mary Beth Broeren

Legal notice as provided to the City Clerk's Office by staff had been mailed, published and posted.

City Administrator Penny Culbreth-Graft introduced Principal Planner Mary Beth Broeren to provide a staff report. Planner Broeren provided a PowerPoint presentation that included background on the affordable housing in-lieu fee, information on the City Council Ad Hoc Committee consisting of Councilmember's Sullivan, Hardy and Bohr, Chamber of Commerce Representatives Mike Adams and Dick Harlow, Maurice White representing the Building Industry Association (BIA), and Mark Porter representing Huntington Beach Tomorrow. She continued to discuss existing affordable housing ordinance requirements, in-lieu fee methodology, analysis and staff recommendation.

Mayor Coerper Declared the Public Hearing Open

City Clerk Joan Flynn restated for the record the following Late Communication received by her office following distribution of the agenda packet:

Communication submitted by Joyce Riddell, President of the Huntington Beach Chamber of Commerce, dated May 4, 2007 regarding the public hearing on Affordable Housing In-Lieu Fees.

Communication submitted by Steve Stafford dated May 7, 2007 regarding the public hearing on Affordable Housing In-Lieu Fees.

Mike Adams, representing the Huntington Beach Chamber of Commerce Board of Directors, presented a letter stating the Chamber's position on the item. He commended the committee for work well done, discussed Regional Housing Needs Allocation (RHNA) numbers, preservation of rental stock, and fees generated by in-lieu action. He recommended looking at products beyond the 3-9 range, and regroup the committee to process the request through Planning Commission via zoning text amendment.

Dick Harlow representing the Huntington Beach Chamber of Commerce, provided support for the report itself, but disagreed on its conclusion. Mr. Harlow discussed in-lieu fees for small projects and explained affordability gap as the difference between what a person of low or moderate income can afford to pay, versus what they would pay in the open market. He stressed the importance of monitoring the qualification process for rental property and suggested introducing as many programs as possible, reconstituting the committee, consider the Chambers recommendations and adopt the resolution using a fee based on affordability gap for rental property.

There being no persons present to speak further on the matter and there being no further protests filed, either written or oral, the Mayor declared the public hearing closed.

Councilmember Green voiced concerns about taking ownership incentives away from qualified buyers. Planner Broeren and Director of Economic Development Stanley Smalewitz discussed the logistics and economic differences of affordable housing among ownership and rental developments. Councilmember Green asked if affordable housing requirements are distinguishable between rental and ownership properties. Director Smalewitz explained that affordable housing requirements depend on a variety of factors. Discussion ensued on affordable housing opportunities among certain demographic groups.

Councilmember Hansen discussed providing the greatest good for the greatest number, explaining the need to attract residents who will provide industry support to the community. He voiced concerns about limited transportation for commuting purposes, rental housing utilized by professionals who are priced out of the housing market.

Councilmember Hardy discussed her experience in owning an affordable house and how the transaction enabled her to save money to prepare for her next home purchase. She voiced support for flexibility between ownership and rental housing, but suggested that the Council encourage affordable rental units. She discussed differences between the market rate and low-income rental rate, and voiced concerns about maintaining affordable housing eligibility within the County. She requested that motion be amended to continue the item to a meeting in July. Councilmember Bohr agreed to the amendment and discussed consideration of funds for other ownership programs.

Mayor Coerper appointed Councilmember Hansen as the Ad-Hoc Committee member to replace Dave Sullivan.

Councilmember Carchio provided support for the motion, and consideration of all issues by the Ad Hoc Committee.

A motion was made by Bohr, second Carchio to Amend substitute motion to continue the item to a date uncertain, reconstitute the ad hoc committee and add Don Hansen as Dave Sullivan's replacement for the purpose of looking at the proposed fee for 3-9 units, and review the possibility of developing an in-lieu fee for projects larger than 9 units. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council) Administrative Public Hearing Held Pursuant to Resolution No. 2007-13 Adopted February 20, 2007 to Hear Protests and Objections Regarding Weed, Rubbish and Refuse Abatement of Certain Public and Undeveloped Private Properties at Owners' Expense

Mayor Coerper announced that this was the time noticed for an administrative public hearing to consider communication from the Director of Public Works transmitting the following **Statement of Issue**: Pursuant to Resolution No. 2007-13, a public hearing must be held before staff can initiate the removal of weeds, refuse and rubbish from undeveloped private properties at the owners' expense.

City Administrator Culbreth-Graft introduced Director of Public Works Bob Beardsley to provide a staff report.

Director Beardsley forwent a PowerPoint presentation and discussed the timeline adopted by Council to post parcels for weed abatement of certain identified properties.

Councilmember Bohr announced his intentions to abstain from voting on the item due to a possible conflict of interest.

Mayor Coerper Declared the Administrative Public Hearing Open

There being no persons present to speak further on the matter and there being no further protests filed, either written or oral, the Mayor declared the public hearing closed.

A motion was made by Cook, second Hardy to **1)** Open a public hearing for any objections and protests to the proposed removal of weeds, refuse, and rubbish; and, **2)** Following the hearing, authorize the Superintendent of Streets (Director of Public Works) to proceed with the abatement of said nuisance. The motion carried by the following roll call vote:

AYES: Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None
ABSTAIN: Bohr

Consent Items - Items Approved

A motion was made by Green, second Cook to (City Council) Move all consent items except E-4, E-7 and E-10; Cook abstaining on E-1 and voting "no" on E-11; and, Mayor Coerper voting "no" on E-9. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council/Redevelopment Agency) Approve Minutes - Approved and adopted the minutes of the City Council/Redevelopment Agency regular meeting of April 16, 2007 as written and on file in the Office of the City Clerk. Submitted by the City Clerk.

(City Council) Approved and Authorized the Mayor and City Clerk to Execute Amendment No. 1 to the Professional Services Contract Between the City of Huntington Beach and Atrilogy Solutions Group, Inc. for Additional Compensation in the Amount of \$100,000 for Temporary Technical Personnel and Consulting Services - Approved and authorize the Mayor and City Clerk to execute Amendment No. 1 to Professional Services Contract Between the City of Huntington Beach and Atrilogy Solutions Group, Inc. for Temporary Technical Personnel and Consulting Services. Submitted by the Director of Information Services. Funding Source: Funds for contracted personnel will be from approved budgets on an as-needed basis.

(City Council) Approved Agreement with South Orange County Community College District for Health Care Student Programs for Paramedic Training, and Authorized the Fire Chief to Execute the Agreement - Approved and authorized the Fire Chief to execute the Agreement for the Health Sciences/Human Services Student Program with the South Orange County Community College District for Health Care Student Programs. Submitted by the Fire Chief. Funding Source: None required.

(City Council) Approved and Authorized the Mayor and City Clerk to Execute Amendment No. 1 to Cooperative Agreement No. C-2-0656 Between the Orange County Transportation Authority (OCTA) and the City of Huntington Beach for the Senior Mobility Program, Extending the Term of the Agreement to January 30, 2011, and Authorize Appropriation of Grant Funds on an Annual Basis Through June 30, 2011 - (1) Approved and authorized the Mayor and City Clerk to execute Amendment No. 1 to Cooperative Agreement No. C-2-0656 Between the Orange County Transportation Authority and the City of Huntington Beach for Senior Mobility Program, to extend the term of the agreement to January 30, 2011; and (2) Authorized the appropriation of OCTA/County Senior Mobility grant funds on an annual basis through June 30, 2011. Submitted by the Director of Community Services. Funding Source: FY 07-08 Orange County Transportation Authority, County funds of \$147,499, plus 20% match of City funds (\$36,875) subsidized by the Huntington Beach Council On Aging through a Hoag Hospital Grant. Matching funds are identified in the Donation Fund, Senior Transportation - Account #10345502.52000.

(City Council) Approved and Authorized the Mayor and City Clerk to Execute a Professional Services Contract Between the City of Huntington Beach and Diehl, Evans and Company, LLP in an Amount Not to Exceed \$135,715 Over a Three-Year Period to Perform an Independent Audit of the City's Financial Statements as Required by City Charter - Approved the Professional Services Contract Between the City of Huntington Beach and Diehl, Evans and Company, LLP for Audit Services. Submitted by the Director of Finance. Funding Source: This agreement will be paid from budgeted amounts in account 10035205.69355. Sufficient funds will be budgeted for the term of the agreement (fiscal year 2007/08, 2008/09, and 2009/10 budgets.)

(City Council) Approved Request for Amicus Brief Support in Medical Marijuana Case, City of Garden Grove v. Orange County Superior Court, Real Party-in-Interest Felix Kha; Case No. G036250 - Approved and authorized participation as amicus curiae in support of the City of Garden Grove for the matter entitled, City of Garden Grove v. Orange County Superior Court (Kha), G036250, 4th District Court of Appeal, Division 3. Submitted by the City Attorney. Funding Source: No funds are required.

(City Council) Adopted Resolution No. 2007-31 Approving the Proposition 50 Grant Agreement With the State Water Resources Control Board for the East Garden Grove Wintersburg Channel Urban Runoff Diversion Project - Phase II; Approved Future General Fund Expenditure of \$687,500 as a Matching Fund Requirement; and, Appropriated the State Award of \$2,062,500 to the Project Account - **(1)** Adopted Resolution No. 2007-31, "A Resolution of the City Council of the City of Huntington Beach Approving the Proposition 50 Grant Agreement With the State Water Resources Control Board for the East Garden Grove Wintersburg Channel Urban Runoff Diversion Project - Phase II;" and **(2)** Approved \$687,500 from the General Fund reserve for grant match requirement. Funds to be expended in FY 2007/2008 - FY 2009/2010; and **(3)** Appropriated \$2,062,500 to the project account, and increase estimated revenues by \$2,062,500 to the Water Quality Grant Fund from the State of California, 89288005.82500. Submitted by the Director of Public Works. Funding Source: (1) The State will award \$2,062,500 for the East Garden Grove Wintersburg Channel Urban Runoff Diversion Project - Phase II. Grant Funds and offsetting revenue will be appropriated to the project account; and (2) A 25% grant match amount totaling \$687,500 is required. Anticipated grant funds for the City match are not available at this time. Match funds to be expended in FY 2007/2008 - FY 2009/2010; and (3) Funds will be appropriated to Water Quality Grants, Talbert Lake Diversion Project Phase II, Drainage Improvements, 89288005.82500.

(City Council) Approved and Authorized the Mayor to Execute an Agreement for Acquisition of Real Property Located at 7752 Alhambra Avenue, APN 142-103-02, in the Amount of \$685,000, Necessary to Complete Improvements for the Widening of Heil Avenue Between Beach Boulevard and Silver Lane - **(1)** Approved the Agreement for Acquisition of Real Property (Escrow Instructions); **(2)** Authorized the Mayor to execute the agreement and other related necessary documents. Submitted by the Director of Economic Development and the Director of Public Works. Funding Source: Funds are budgeted in the Traffic Impact Fund, Street Widening, Land Purchase, Account No. 20690001.81000.

(City Council) Adopted Resolution No. 2007-28 Authorizing Closure of Main Street to Vehicular Traffic on June 16 and June 17, 2007 for the Downtown Main Street Event - Adopted Resolution No. 2007-28, "A Resolution of the City Council of the City of Huntington Beach Authorizing the Closing of Main Street to Vehicular Traffic for the Downtown Main Street Event." Submitted by the Director of Economic Development and the Director of Community Services. Funding Source: Not applicable.

Councilmember Carchio announced he would abstain from voting on the item due to a possible conflict of interest.

Mayor Coerper asked about the final dates of Surf-City Nights. Director Smalewitz explained that the City is working with the Business Improvement District (BID) on continuing the event beyond May 22. Director Smalewitz also explained how previous appropriations will fund the weekend of June 16 and 17 (Father's Day weekend).

A motion was made by Hardy, second Green to (City Council) Adopt Resolution No. 2007-28 Authorizing Closure of Main Street to Vehicular Traffic on June 16 and June 17, 2007 for the Downtown Main Street Event - Adopt Resolution No. 2007-28, "A Resolution of the City Council of the City of Huntington Beach Authorizing the Closing of Main Street to Vehicular Traffic for the Downtown Main Street Event." Submitted by the Director of Economic Development and the Director of Community Services. Funding Source: Not applicable. The motion carried by the following roll call vote:

AYES: Bohr, Cook, Coerper, Green, Hansen, and Hardy
NOES: None
ABSTAIN: Carchio

(City Council) Approved the Appointment of John Sisker to the Mobile Home Advisory Board to Fill an Interim Term That Will Expire on August 5, 2007 as Recommended by Council liaisons Mayor Pro Tem Debbie Cook and Councilmember Joe Carchio - Approved the appointment of John Sisker as Mobile Home Resident Representative to the Mobile Home Advisory Board, serving a gap term until August 5, 2007. Submitted by the Director of Economic Development. Funding Source: Not applicable.

Councilmember Green questioned why someone would be appointed to fill an interim term, concurrently with a full, vacant term. City Administrator Culbreth-Graft indicated that the City Attorney advised no appointment be made to fill the term scheduled to commence after August 5, 2007 and expire on August 5, 2011, and that it be advertised separately at a later date.

Mayor Pro Tem Cook asked staff to confirm which terms were advertised. Staff responded that the City advertised for the current, unexpired term.

A motion was made by Green, second inaudible, to Approve the Appointment of John Sisker to the Mobile Home Advisory Board to Fill an Interim Term That Will Expire on August 5, 2007 as Recommended by Council liaisons Mayor Pro Tem Debbie Cook and Councilmember Joe Carchio. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(Redevelopment Agency) Approved and Authorized the Chairman and Agency Clerk to Execute Professional Services Contracts With Keyser Marston Associates, Inc. in an Amount Not to Exceed \$525,000 Over a Three-Year Period and Tierra West Advisors, LLC. in an Amount Not to Exceed \$525,000 Over a Three-Year Period for "As-Needed" Economic Development Consulting Services - (1) Approved the Professional Services Contract Between the Redevelopment Agency of the City of Huntington Beach and Keyser Marston Associates, Inc. for Economic Analysis Services in the amount of \$525,000 for Economic Analysis Services over a

three-year period, and authorized the Chairman and Agency Clerk to execute the agreement and appropriate \$525,000 from undesignated Redevelopment Agency Merged Capital Funds Balance to account 30580101.69325; and **(2)** Approved the Professional Services Contract Between the Redevelopment Agency of the City of Huntington Beach and Tierra West Advisors, LLC. for Economic Analysis Services in the amount of \$525,000 for Economic Analysis Services over a three-year period, and authorized the Chairman and Agency Clerk to execute the agreement and appropriate \$525,000 from undesignated Redevelopment Agency Merged Capital Funds Balance to account 30580101.69325. Submitted by the Deputy Executive Director. Funding Source: Redevelopment Agency Capital Projects Fund Balance.

Councilmember Bohr requested that staff give a brief report due to the dollar amount identified in the contract. Director Smalewitz provided a report on services identified in two separate 3-year contracts to augment staff on proformas, construction cost analysis and market rates. Consulting services also include housing strategy development, annual reports (regulatory and statutory submitted to the State), and to oversee land development owned by the Redevelopment Agency.

Councilmember Bohr asked for the differences between the two firms. Director Smalewitz stated one specializes in economic/redevelopment issues, and the other affordable housing. He continued to discuss the number of projects ahead, and how time intensive the Request For Proposal (RFP) process can be.

Councilmember Bohr voiced concerns about watching dollars and asked if the contractor reviews affordable housing compliance. Director Smalewitz confirmed.

Mayor Coerper asked if the contractors were reputable, and if staff had investigated their employment history. Director Smalewitz described the consultant selection process.

A motion was made by Bohr, second Green to (Redevelopment Agency) Approve and Authorize the Chairman and Agency Clerk to Execute Professional Services Contracts With Keyser Marston Associates, Inc. in an Amount Not to Exceed \$525,000 Over a Three-Year Period and Tierra West Advisors, LLC. in an Amount Not to Exceed \$525,000 Over a Three-Year Period for "As-Needed" Economic Development Consulting Services - (1) Approve the Professional Services Contract Between the Redevelopment Agency of the City of Huntington Beach and Keyser Marston Associates, Inc. for Economic Analysis Services in the amount of \$525,000 for Economic Analysis Services over a three-year period, and authorize the Chairman and Agency Clerk to execute the agreement and appropriate \$525,000 from undesignated Redevelopment Agency Merged Capital Funds Balance to account 30580101.69325; and (2) Approve the Professional Services Contract Between the Redevelopment Agency of the City of Huntington Beach and Tierra West Advisors, LLC. for Economic Analysis Services in the amount of \$525,000 for Economic Analysis Services over a three-year period, and authorize the Chairman and Agency Clerk to execute the agreement and appropriate \$525,000 from undesignated Redevelopment Agency Merged Capital Funds Balance to account 30580101.69325. Submitted by the Deputy Executive Director. Funding Source: Redevelopment Agency Capital Projects Fund Balance. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council) Adopted Resolution No. 2007-30 Supporting the Groundwater Replenishment System, a Joint Effort of the Orange County Water District (OCWD) and the Orange County Sanitation District (OCSD); and, Approved a City Council Position on Legislation Pending Before the Federal, State, or Regional Governments as Recommended by the City Council Intergovernmental Relations Committee (IRC)

Communication from Councilmember Jill Hardy, Chair on behalf of Intergovernmental Relations Committee Members Councilmembers Keith Bohr and Don Hansen transmitting the following Statement of Issue: Approve a City Council position as recommended by the City Council Intergovernmental Relations Committee (IRC) on legislation pending before a federal, state, or regional government, thereby authorizing the Mayor to communicate the City's position to the elected members of the federal or state legislature, or regional body. Funding Source: Not Applicable

Councilmember Hardy provided an overview of the committee's recommendations and advised that Councilmember Hansen was not present when the committee voted to support SB 645 (Design Build Process).

Councilmember Green discussed the merits of Design Build through the OCTA, specifically the 22 Freeway Project. She stated the project was completed in under 1000 days, including seismic retrofit of all bridges along the 22, with a huge savings realized in a short period of time. She stated support for any project utilizing the Design Build concept.

Councilmember Hansen voiced support for the Design Build concept, but discussed fair practices for all participants and proposed the Council consider an alternate motion to remain neutral on SB 645.

An alternate motion was made by Hansen, second Cook to remain neutral on SB 645. The motion carried by the following roll call vote:

AYES: Carchio, Cook, Coerper, and Hansen
NOES: Bohr, Green, and Hardy

A motion was made by Hardy, second Bohr to OPPOSE AB 1459 (Levine) - Amending the California Coastal Act of 1976 to prohibit, in the coastal zone, a unit in an overnight visitor-serving commercial facility from being sold for individual ownership or part-time private occupancy as introduced; and, APPROVE Resolution 2007-30, "A Resolution of the City Council of the City of Huntington Beach in Support of the Groundwater Replenishment System, A Joint Effort of the Orange County Water District and the Orange County Sanitation District." The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council) Approved Construction of Two Permanent Visitor-Serving Buildings to Replace Existing Modular Units on the Municipal Pier, Proceed With Request for a Coastal Development Permit (CDP) for a Third Permanent Building, and Consider Types of Concessions

Communication from the Director of Community Services transmitting the following **Statement of Issue:** There are currently three modular units on the municipal pier. Funds have been budgeted to construct two permanent concession buildings on the pier. The Community Services Commission has reviewed and moved to recommend the staff recommendations to City Council for approval. Funding Source: Redevelopment funds have been budgeted in the FY 2006/2007 Capital Improvements Program budget, Fund 305. This was included in the list of Redevelopment Agency-funded projects approved by City Council, using one-time Redevelopment revenue from the Hyatt residential project.

City Administrator Culbreth-Graft introduced Director of Community Services Jim Engle to present a staff report. Director Engle introduced Facility/Development & Concessions Manager Dave Dominguez who provided a PowerPoint presentation that included pier history, current facilities, current pier concessions, process and recommended action.

Councilmember Bohr asked how the Fish-N-Tackle will operate during construction. Manager Dominguez discussed relocation of businesses during the construction and staging phases. Director Engle opined that the bait-n-tackle business could operate out of a trailer on and off of the pier, and that other businesses would need more consideration. Councilmember Bohr asked if thought was given to using state of the art modular as a permanent building.

Councilmember Carchio asked about Ruby's contract, and if they were supposed to build a coffee shop. Director Engle described the original agreement, and what was rewritten relating to the bait-n-tackle operating independently. Councilmember Carchio asked if Ruby's is the only established permitted to serve food. Director Engle stated no exclusivity is in place, and Councilmember Carchio stressed the importance of allowing additional vendors. Director Engle indicated that Council may elect to allow existing businesses to serve coffee, bagels, etc.

Mayor Pro Tem Cook voiced concerns about Ruby's architecture, suggesting that the City consider a more attractive, architecturally interesting image when designing permanent structures. She also agreed with previous suggestions to add a third permanent building that would allow visitors to stop, have a hot drink and enjoy the sunset.

Councilmember Hardy asked if any vendors have requested serving food, and whether something prohibits this activity. Director Engle responded that *Let's Go Fishing* serves snacks, and that nothing prohibits other businesses from considering food service. Councilmember Hardy agreed with Mayor Pro Tem Cook's idea for adding a third building to possibly serve food, and that can be used as a temporary staging area to relocate current vendors to during construction. Director Engle responded that staff supports a third building, but it would be the last building constructed. Councilmember Hardy also agreed that the pier is an architectural asset to the beach, and that all structures be carefully considered for area enhancement and uniqueness.

Councilmember Carchio voiced support for adding a third building that is architecturally pleasing, and that will in turn generate revenue. He discussed the need for food service other than snacks.

Councilmember Bohr suggested that the recommendations discussed call for a fourth building. Director Engle responded in the affirmative, and that limited space prohibits placement of a fourth building on the pier. Councilmember Bohr requested direction on proposing a motion that would streamline the proposal.

Administrator Culbreth-Graft provided direction on how to proceed, discussing coastal development permit (CDP) timing and how the necessary budget dollars may fall in line with the CDP approval process. She also indicated dollars have been set aside in the Waterfront Redevelopment Fund. Director Engle explained that approval of the third building prompts the CDP/design process. Administrator Culbreth-Graft further explained that approving the motion would give staff enough direction to proceed.

Mayor Pro Tem Cook suggested that the restroom area could be redesigned, and revenue generated by a new concession could fund a new structure and incorporate restrooms, and possibly design a building that you could park lifeguard vehicles underneath.

Mayor Coerper asked if current tenants will be required to pay higher rent fees. Director Engle responded that standard procedure for staff would be an RFP process for each building, and a recommendation from Council to move in another direction. Mayor Coerper discussed the need to add concessions, and enhance design on the pier. Councilmember Carchio added that consideration needs to be given to the current, loyal tenants.

A motion was made by Bohr, second Green to 1) Approve Construction of two permanent visitor-serving buildings on the Municipal Pier, in accordance with the existing Coastal Development Permit (CDP); 2. Proceed immediately with design in anticipation of approval of a Coastal Development Permit for a third permanent building; 3. Recommend the following types of concessions: a) bait and tackle shop, b) souvenir store, c) kite store, and 4) recommend that souvenir store and kite store share space in one building on an interim basis until third building is constructed, amended to include proceed with design in anticipation of approval of CDP. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

Council Comments

Councilmember Green thanked the Church of Later Day Saints at Heil & Graham for their presentation of *Beauty and the Beast*, recognizing Greg Muller's wife Kim as a participant in the production. She also reported attending the Soroptomist Women of Distinction Awards Luncheon on April 19, recognizing Eve Thompson for Health, Donna Gray for Economic and Social Development, Theresa Murphy for Human Rights &

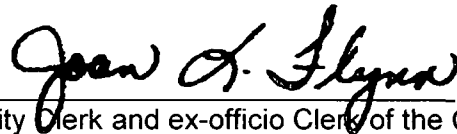
the Status of Women, Barbara Enlow, Women Helping Women, and Phyllis Nichols, Soroptimist of the Year Award 2007.

Councilmember Carchio reminded everyone of Surf-City Nights and gave thanks to Connie Pachenco, members of the Downtown Business Improvement District (BID) and the Economic Development Department.

Mayor Coerper reported on attending the Greater Huntington Beach Interfaith Council Prayer Breakfast on May 3rd and announced Peacekeeper Awards received by Councilmember Cathy Green and her husband, former Mayor Peter Green. He accompanied Councilmembers Green and Carchio to present Karch Kilary with a Key to the City, attended the Edison High School Foundation's presentation of *Flash From The Past* on May 6, sponsored by the Key Club, attended the Huntington Beach Library Volunteer Luncheon on May 7, attended the Huntington Harbour Yacht Club Opening Day Program on April 21, attended a presentation for Eagle Scouts Brent Adam Meschuk and Christopher Kegan on April 28, attended the Huntington Beach Senior Services Volunteer Luncheon on April 20, attended the Huntington Beach Tomorrow Fundraiser on April 28, and attended the Arbor Day 2007 Tree Planting and Dedication on April 28.

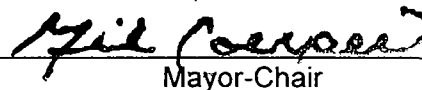
Adjournment - City Council/Redevelopment Agency

Mayor Coerper adjourned the regular meeting of the City Council/Redevelopment Agency of the City of Huntington Beach at 9:29 p.m. to Monday, May 21, 2007 at 4:00 p.m. in Room B-8, Civic Center, 2000 Main Street, Huntington Beach.



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Clerk of the Redevelopment Agency of the City of Huntington Beach, California

ATTEST:


City Clerk-Clerk
Mayor-Chair